

Introduced by Senator Peace

February 22, 2002

An act to amend Sections 17004, 170010, 170012, 170016, 170018, 170026, 170038, 170048, 170052, 170056, 170058, 170062, 170064, 170068, and 170084 of, to repeal Sections 170058.5, 170059, and 170080 of, and to repeal and add Sections 170060 and 170066 of, the Public Utilities Code, relating to airports, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1896, as introduced, Peace. San Diego County Regional Airport Authority.

(1) Existing law establishes the San Diego County Regional Airport Authority as a local entity of regional government with jurisdiction throughout the County of San Diego, and requires that the authority to adopt a comprehensive airport land use plan for that county and coordinate the airport planning of public agencies. Existing law requires the authority to study and plan any improvements, expansions, or enhancements for the regional airport system in San Diego County. Existing law establishes a staggered-term governing board of the authority with members of the first board being appointed on or before October 31, 2002, and seated on December 2, 2002. Existing law provides a structure of the authority, provides for an interim executive director until January 6, 2003, and an interim executive board, to be dissolved on December 2, 2002, requires the San Diego Unified Port District (port) to transfer the San Diego International Airport to the authority on December 2, 2002, assigns various powers and duties to the authority regarding the establishment and operation of airports within the county, including the requirement that the authority assume

trusteeship of airport lands and exercise the power to issue bonds with interest thereon being tax free. Existing law provides for a transition plan.

This bill would remove the staggered term of the permanent governing board, would require that first permanent board to be appointed on or before December 5, 2002, rather than October 31, 2002, and to be seated on December 16, 2002, rather than December 2, 2002, and would make corresponding changes. The bill would extend the term of office of the interim executive director until January 6, 2005, or until the appointment of a permanent director and would extend the term of the interim board until December 16, 2002.

The bill would substantially revise the duties of the authority including, but not limited to, requiring the authority to implement, as well as study and plan, any improvements, expansions, or enhancements at existing and future airports under its jurisdiction. The bill would also require the authority to adopt a comprehensive plan on the future of San Diego's regional international airport and, if the authority is considering a site for the airport, other than Lindberg Field, the authority would be required to submit the particular recommendation in the form of a local ballot proposition to the San Diego County Registrar of Voters for placement on the November 2, 2004, countywide election ballot.

The bill would recast the provisions governing the transfer of real and personal property by the port to the authority including specifically described real properties that are not to be transferred and specifically described real properties that are to be transferred.

The bill would require the port, rather than the authority, to retain trusteeship of the lands underlying the airport, consistent with the State Lands Commission's requirement and would require the port to execute a described 66-year lease with the authority. The bill would require the transfer of the San Diego International Airport to be completed on or after December 16, 2002, rather than on December 2, 2002.

The bill would require the port to fund the authority for not less than \$1,000,000 each year until that time that the transfer of the airport and assorted revenue sources have been completed.

The bill would delete the tax exempt interest provisions and would prohibit any other agency from applying for grants for funding airport facilities in San Diego County unless the application is first approved by the authority.

The bill would make technical, conforming changes.



To the extent that additional duties would be placed upon the authority, the port district, and other entities of local government, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(3) The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 170004 of the Public Utilities Code is
2 amended to read:

3 170004. The Legislature hereby finds and declares all of the
4 following:

5 (a) The population in San Diego County is forecasted to grow
6 to 4.1 million persons by 2030, a 45 percent increase over its
7 population in 2000. In light of this growth, it is incumbent upon
8 the region to take actions to provide for an economy that will ~~create~~
9 ~~sufficient opportunity~~ *maximize employment opportunities* and
10 ~~wealth~~ *help* to ensure a ~~high~~ *higher* quality of life for all its
11 residents.

12 (b) The globally competitive, export-oriented electronics,
13 communications, and biotechnology industries of San Diego
14 County already employ over 300,000 persons, nearly a third of the
15 local labor force, and will continue to drive the region's economy
16 as it competes in the expanding national and international markets.

17 (c) Air transportation will be an important factor in fostering
18 continued economic growth in San Diego County, as technology

1 workers travel by air 40 percent more frequently than workers in
2 other sectors of the economy.

3 (d) According to the Joint Aviation Advisory Committee
4 established by the San Diego Association of Governments and the
5 San Diego Unified Port District, San Diego International Airport
6 today contributes about \$4.3 billion to the San Diego regional
7 economy, which is about 4 percent of the total output of the
8 region's economy. With the demand for air travel expected to more
9 than double to 35 million passengers in 2030, an airport capable
10 of supporting that demand would contribute up to \$8 billion to the
11 regional economy. Failure to increase San Diego's regional airport
12 capacity would result in 56,000 fewer jobs and up to \$2.5 billion
13 less in personal income by 2030. More than 50 percent of the
14 reduction in jobs would occur in the industries related to air
15 exports, including the high-technology industries that
16 manufacture machinery, electronic equipment, and instruments.
17 The balance of the impact would be in the visitor-related
18 industries.

19 (e) The San Diego Regional Government Efficiency
20 Commission was established under Chapter 764 of the Statutes of
21 2000 to evaluate regional governance in San Diego County and to
22 submit a report to the Legislature for improving regional
23 governance. To facilitate its purpose, that commission formed a
24 Port Working Group, a Governance Working Group, a
25 Transportation Working Group, and an Environmental and Land
26 Use Working Group to examine regional governance in the region
27 and to propose options for its improvement. The Port Working
28 Group studied the role and function of the San Diego Unified Port
29 District and in collaboration with the Transportation Working
30 Group created a special joint committee to examine airport
31 development issues in the region. After reviewing the options
32 developed by the joint committee, the commission has
33 recommended to the Legislature, by resolution adopted on July 6,
34 2001, that a new airport authority be created by statute in San
35 Diego County.

36 (f) Because of the significant regional consequences of airport
37 development and operations, it is important that the future
38 development of major airport facilities in San Diego County be
39 addressed in the context of a regional decisionmaking process that
40 has regional representation.



(g) In an effort to assure the continued military readiness of the United States Department of Defense (DOD), comprehensive airport planning must consider and protect military airspace needs in the San Diego region. The activities of the DOD in the San Diego region require mission-essential airspace for training and operations. In addition, the DOD has direct economic expenditures in San Diego County of nearly \$10 billion annually, and represents over 376,000 residents of the region. For these reasons, the DOD is a major stakeholder in the region's comprehensive plans for a viable airport solution.

SEC. 2. Section 170010 of the Public Utilities Code is amended to read:

170010. The interim executive director of the authority shall be the person who is the Senior Director of Aviation of the port on September 1, 2001. The interim executive director shall undertake all regular and necessary measures and decisions for the efficient operation of the authority until January 6, ~~2003~~ 2005, *or until that time that a permanent executive director is appointed, whichever occurs first.*

SEC. 3. Section 170012 of the Public Utilities Code is amended to read:

170012. (a) There shall be an interim board of the authority to advise the interim executive director, to prepare and adopt the transition plan required under Section 170062, and to oversee the activities required pursuant to subdivisions (c), (d), (e), and (f) of Section 170048.

(b) The interim board shall be chaired by the interim executive director.

(c) The interim executive director shall appoint five members to the interim board. The members shall be geographically representative of San Diego County and shall be serving as elected officials of, appointees to, or representatives of local, state, or federal governmental agencies or bodies, at the time of appointment.

(d) The first meeting of the interim board shall be on January 7, 2002, at a time and location to be determined by the chair. Thereafter, the chair shall hold monthly public meetings of the interim board.

(e) The interim board shall be dissolved on December ~~2~~ 16, 2002.

1 SEC. 4. Section 170016 of the Public Utilities Code is
2 amended to read:

3 170016. (a) The permanent board shall be established
4 pursuant to this section. The board shall consist of nine members,
5 with three members serving in an executive committee.

6 (b) The following three members shall comprise the executive
7 committee.

8 (1) A member of the public who shall be appointed by the
9 Board of Supervisors of the County of San Diego and shall be a
10 resident of an unincorporated area of the county. ~~The initial term~~
11 ~~for this member shall be two years.~~

12 (2) A member of the public ~~who shall be~~, appointed by the
13 Governor and confirmed by the Senate, *who* shall reside in the
14 County of San Diego, but not within the City of San Diego. ~~The~~
15 ~~initial term for this member, upon confirmation of the Senate, shall~~
16 ~~be six years.~~

17 (3) A member the public who shall be appointed by the Mayor
18 of the City of San Diego and shall be confirmed by a majority vote
19 of the San Diego City Council. ~~The initial term for this member~~
20 ~~shall be four years.~~

21 (c) The remaining six members of the board shall be as follows:

22 (1) The Mayor of the City of San Diego, or a member of the city
23 council designated by the mayor to be his or her alternate.

24 (2) A member *of* the public appointed by the Mayor of the City
25 of San Diego. ~~The initial term for this member shall be two years.~~

26 (3) The mayor of the most populous city, as of the most recent
27 decennial census, among the north area cities. If that mayor
28 declines to serve, he or she shall appoint a member of the public
29 who is a resident of one of north area cities. ~~The initial term for this~~
30 ~~member shall be two years.~~

31 (4) (A) If the member serving under paragraph (3) is a mayor,
32 then a member of the public *shall be* selected by the mayors of the
33 north area cities from one of those cities, excluding the most
34 populous city.

35 (B) If the person serving under paragraph (3) is not a mayor,
36 then the mayors of the north area cities shall select a mayor or
37 council member of a north area city, excluding the most populous
38 city, to serve as the member.

39 ~~(C) The initial term for this member shall be four years.~~



(5) The mayor of the most populous city, as of the most recent decennial census, among the south area cities. If that mayor declines to serve, he or she shall appoint a member of the public who is a resident of one of south area cities. ~~The initial term for this member shall be six years.~~

(6) (A) If the member serving under paragraph (5) is a mayor, then a member of the public *shall be* selected by the mayors of the south area cities from one of those cities, excluding the most populous city.

(B) If the person serving under paragraph (5) is not a mayor, then the mayors of the south area cities shall select a mayor or council member of a south area city, excluding the most populous city, to serve as the member.

~~(C) The initial term for this member shall be four years.~~

(d) The initial chair shall be the person appointed to the board pursuant to paragraph (2) of subdivision (b). Thereafter, the executive committee shall appoint the chair, who shall serve for a two-year portion of his or her term as a board member, upon confirmation of the full board. A chair may be appointed to consecutive terms, subject to confirmation of the full board.

(e) (1) Members ~~appointed to~~ of the first board shall be appointed on or before ~~October 31~~ December 5, 2002, and shall be seated as the board on December 2 16, 2002.

(2) Any appointment not filled by the respective appointing authority on or before December 4 10, 2002, shall be ~~filled by appointment~~ *appointed* by the Governor, consistent with the eligibility requirements of this section for that membership position.

(f) (1) ~~After the initial term, all~~ All terms shall be 4 *four* years, except as otherwise required under ~~Subdivision~~ *subdivision* (b) of Section 170018.

(2) The expiration date of the term of office shall be the first Monday in December in the year in which the term is to expire.

SEC. 5. Section 170018 of the Public Utilities Code is amended to read:

170018. (a) The appointing authority for a member whose term has expired shall appoint that member's successor for a full term of four years.

(b) The membership of any member serving on the board as a result of holding another public office shall terminate when the member ceases holding the other public office.

(c) Any vacancy in the membership of the board shall be filled for the expired term by a person selected by *the respective* appointing authority for that position.

SEC. 6. Section 170026 of the Public Utilities Code is amended to read:

170026. (a) The executive committee shall appoint the following officers of the authority, subject to confirmation of the board:

(1) Executive Director.

(2) General Counsel.

(3) Auditor.

(b) The executive director shall appoint all other officers and employees.

SEC. 7. Section 170038 of the Public Utilities Code is amended to read:

170038. The authority may take by grant, purchase, devise, or lease or otherwise acquire and hold, real and personal property *within or* outside its area of jurisdiction in order to further its purposes.

SEC. 8. Section 170048 of the Public Utilities Code is amended to read:

170048. (a) The authority shall have the exclusive responsibility within its area of its jurisdiction to study ~~and~~, plan, ~~and implement~~ any improvements, expansion, or enhancements ~~that affect the regional airport system of San Diego County at existing or future airports within its control.~~

(b) The authority may commission planning, engineering, economic, and other studies to provide information to the board for making decisions about the location, design, management, and other features of a future ~~airport~~ airports.

(c) The San Diego Association of Governments, or its successor, shall *cooperate with the authority to* include all airport system plans and facilities selected by the authority in the regional transportation plan *consistent with state and federal law.*

(d) (1) ~~Not later than 60 days after the effective date of this chapter~~ March 1, 2002, the San Diego Association of Governments and the port shall transfer and assign to the authority

1 all contracts in force for studying possible sites for an airport, the
2 economic viability and impact of an airport, the environmental
3 consequences of an airport, public opinion or attitudes regarding
4 an airport's location, and any other contracts related to the location
5 and development of an airport in the County of San Diego.

6 (2) The contracts described in paragraph (1) shall include, but
7 need not be limited to, the contracts associated with the Joint
8 Aviation Advisory Committee.

9 (3) The transfer of contracts required under this subdivision
10 shall include the *contemporaneous transfer of revenue* from state
11 or federal grants, local funds, and other sources of revenue
12 committed to funding the contracts until their completion. *The*
13 *authority shall accept all obligations, as well as all rights,*
14 *included in the transferred contracts.*

15 (e) The policy direction for the study described in subdivision
16 (d) shall become the responsibility of the authority. The authority
17 shall consider the concepts and ideas of the San Diego Association
18 of Governments, the port, and other entities, both public and
19 private.

20 (f) The authority may continue the Joint Aviation Advisory
21 Committee to assist in conducting the analyses for determining a
22 site for a new airport.

23 (g) The authority, the San Diego Association of Governments,
24 local agencies, and the Department of Transportation shall
25 cooperate to develop effective surface transportation access to new
26 and existing airports.

27 (h) *The authority shall adopt a comprehensive plan on the*
28 *future development of San Diego's regional international airport.*
29 *In developing its plan, the authority shall review all options of*
30 *alternative sites, including, but not limited to, expansion of the*
31 *existing airport site, use of current military installations that may*
32 *become available for civilian or mix-use, and other development*
33 *options available to address future airport needs. If the authority*
34 *is considering a site for the regional airport, other than Lindberg*
35 *Field, the authority shall submit the particular recommendation in*
36 *the form of a local ballot proposition to the San Diego County*
37 *Registrar of Voters for placement on the November 2, 2004,*
38 *countywide election ballot.*

39 SEC. 9. Section 170052 of the Public Utilities Code is
40 amended to read:

1 170052. The authority shall be responsible for developing all
2 aspects of airport facilities that it operates, including, but not
3 limited to, all of the following:

4 (a) The location of terminals, ~~hangers~~ *hangars*, aids to air
5 navigation, *runaway protection zones (RP2)*, *airport influence*
6 *areas (AIA)*, parking lots and structures, and all other facilities and
7 services necessary to serve passengers and other customers of the
8 airport.

9 (b) Street and highway access and egress with the objective of
10 minimizing, to the extent practicable, traffic congestion on access
11 routes in the vicinity of the airport.

12 (c) Providing for public mass transportation access in
13 cooperation and coordination with the responsible public
14 transportation agency in whose jurisdiction the airport is located.

15 (d) Analyzing and developing intercity bus and passenger rail
16 access to terminals in cooperation with an established agency or
17 organization experienced in developing and operating that service,
18 if the service or the technology proposed for implementation is
19 demonstrated to be in regular, scheduled revenue service and is
20 demonstrated to be a cost-effective investment when considering
21 both direct and indirect benefits. If that service is proven feasible,
22 the authority shall endeavor to maximize the convenience of its
23 patrons by incorporating the service into the design of its
24 terminals.

25 SEC. 10. Section 170056 of the Public Utilities Code is
26 amended to read:

27 170056. The port shall transfer ~~the~~ *all* title and ownership of
28 the San Diego International Airport to the authority. ~~The transfer~~
29 ~~shall be~~ consistent with the transition plan required under Section
30 170062 and shall include, but need not be limited to, all of the
31 following:

32 (a) All ~~interest in real and personal~~ *property and improvements*,
33 including, but not limited to, all terminals, runways, taxiways,
34 aprons, ~~hangers~~ *hangars*, ~~aids to air navigation~~ *runaway*
35 *protection zones (RP2)*, *airport influence areas (AIA)*, emergency
36 vehicles or facilities, parking facilities for passengers and
37 employees, *above and below ground utility lines and connections*,
38 *easements, rights-of-way, other rights for the use of property*
39 *necessary or convenient to the use of airport properties*, and
40 buildings and facilities used to operate, maintain, and manage the

1 airport which is consistent with the Airport Layout Plan (ALP)
2 dated September 13, 2000 and identified as Drawing No. 724 on
3 file with the clerk of the port, subject to paragraphs (1), (2), and
4 (3).

5 (1) The following real properties shall not be transferred and
6 shall remain under the ownership and control of the port:

7 (A) All property originally leased to General Dynamics
8 Corporation and identified in Document No. 12301 on file with the
9 clerk of the port.

10 (B) Property subleased by the port from TDY Industries, Inc.,
11 c/o Allegheny Teledyne (formerly Teledyne Ryan Aeronautical)
12 and identified as Document No. 17600 on file with the clerk of the
13 port.

14 (C) Property leased to Solar Turbines, Incorporated for
15 parking along Pacific Highway and identified as Document No.
16 39904 on file with the clerk of the port (Parcel No. 016-026).

17 (D) Property leased to Solar Turbines, Incorporated, for
18 parking along Laurel Street and identified as Document No. 29239
19 on file with the clerk of the port (Parcel No. 016-016 - Parcel 2).

20 (E) Property leased to Sky Chefs, Incorporated, located at
21 2450 Winship Lane and identified as Document No. 37740 on file
22 with the clerk of the port (Parcel No. 012-025).

23 (F) Property located at Parcel No. 034-002 and identified as
24 Pond 20.

25 (2) The following additional real properties shall be
26 transferred from the port to the authority.

27 (A) Property adjacent to Pond 20 located at Parcel Nos.
28 042-002 and 042-003 (this parcel encompasses approximately two
29 or three acres).

30 (B) Property acquired as Parcel No. 034-001 from Western Salt
31 Processing Plant and identified as Document No. 39222 from
32 GGTW, LLC.

33 (3) The following nonairport, real properties that presently
34 provide airport-related services shall also be excluded from any
35 land transfer to the authority:

36 (A) Airport employee parking lot located at Harbor Island
37 Drive and Harbor Island Drive East identified as District Parcel
38 No. 007-020.



1 (B) Airport taxi and shuttle overflow lot located at the
2 southeast corner of North Harbor Drive and Harbor Island Drive
3 identified as District Parcel No. 007-025.

4 (C) Property leased to National Car Rental System,
5 Incorporated, located east of the southeast corner of North Harbor
6 Drive and Harbor Island Drive identified at District Parcel No.
7 007-034.

8 (D) Property leased to The Hertz Corporation located east of
9 the southeast corner of North Harbor Drive and Harbor Island
10 Drive identified as District Parcel No. 007-035.

11 (E) Property leased to Avis Rent-A-Car Corporation located at
12 the southwest corner of North Harbor Drive and Rental Car
13 Roadway identified as District Parcel No. 007-036.

14 (F) Property leased to National Car Rental System,
15 Incorporated, located at the southeast corner of North Harbor
16 Drive and Rental Car Roadway identified as District Parcel No.
17 007-038.

18 (G) Property leased in common to National Car Rental System,
19 Incorporated; The Hertz Corporation; and Avis Rent-A-Car
20 Corporation, known as Joint-Use Roadway identified as District
21 Parcel No. 007-037.

22 (H) Property leased to Jimsair, Incorporated, located on the
23 property previously known as the General Dynamics Parcel, south
24 of Sassafras Street and west of Pacific Highway adjacent to the
25 Airport Operation Area identified as District Parcel No. 016-042.

26 (I) Property leased to Budget Rent A Car of San Diego located
27 at both the north and southwest corners of Palm Street and Pacific
28 Highway identified as District Parcel No. 016-001 (Parcel 1 and
29 2).

30 (J) Property leased to Budget Rent A Car of San Diego located
31 east of the northeast corner of Palm Street and Pacific Highway
32 identified as District Parcel No. 016-001 (Parcel 3).

33 (K) Property leased to Lichtenberger Equipment Incorporated,
34 located north of the northeast corner of Palm Street and Pacific
35 Highway identified as District Parcel No. 016-034.

36 (L) Property leased to Park and Ride, Incorporated, located at
37 the northeast corner of Sassafras and Pacific Highway identified
38 as District Parcel No. 016-038.



1 (M) Property leased to Ace Parking Management,
2 Incorporated, located north of the intersection of Sassafras Street
3 and Pacific Highway identified as District Parcel No. 016-040.

4 (N) Property leased to Federal Express Corporation located at
5 the west end of the extension of Washington Street identified as
6 District Parcel No. 015-008.

7 (b) All contracts with airport tenants, concessionaires,
8 leaseholders, and others, including, but not limited to, all
9 percentage revenue contracts with vehicle rental companies.

10 (c) All financial obligations secured by revenues and fees
11 generated from the operations of the airport, including, but not
12 limited to, bonded indebtedness associated with the airport. *The*
13 *authority shall assume obligations issued or incurred by the port*
14 *for San Diego International Airport, including, but not limited to,*
15 *any long-term debt, grants, and grant assurances.*

16 (d) All financial reserves, including, but not limited to, sinking
17 funds and other credits.

18 (e) ~~All office equipment, including, but not limited to,~~
19 ~~computers, records and files, software required for financial~~
20 ~~management, personnel management, and accounting and~~
21 ~~inventory systems.~~ *All personal property, including, but not*
22 *limited to, emergency vehicles, office equipment, computers,*
23 *records and files, software required for financial management,*
24 *personnel management, and accounting and inventory systems,*
25 *and any other personal property owned by the port used to operate*
26 *or maintain the airport.*

27 SEC. 11. Section 170058 of the Public Utilities Code is
28 amended to read:

29 170058. Property ~~that is~~ adjacent to the San Diego
30 International Airport, is owned by the port, and is commonly
31 referred to as the “General Dynamics Property” shall continue to
32 be operated by the port ~~as a parking facility.~~

33 SEC. 12. Section 170058.5 of the Public Utilities Code is
34 repealed.

35 ~~170058.5. If the authority is required to acquire the “General~~
36 ~~Dynamics Property” described in Section 170058 as part of an~~
37 ~~adopted airport expansion plan, the value of the property for~~
38 ~~purposes of that acquisition shall be set at the fair market value that~~
39 ~~the property holds on June 30, 2001, plus an adjustment for~~
40 ~~inflation.~~

1 SEC. 13. Section 170059 of the Public Utilities Code is
2 repealed.

3 ~~170059. The port, in consultation with the authority, may~~
4 ~~relocate parking facilities. However, the port may not take any~~
5 ~~action to diminish the amount of parking available at the San~~
6 ~~Diego International Airport without the concurrence of the~~
7 ~~authority.~~

8 SEC. 14. Section 170060 of the Public Utilities Code is
9 repealed.

10 ~~170060. The authority shall be the trustee of any public lands~~
11 ~~and other assets transferred from the port to the authority. The~~
12 ~~authority shall hold and administer those lands and assets pursuant~~
13 ~~to the terms and conditions set forth in the San Diego Port District~~
14 ~~Act for the purposes of operating airport facilities. The trusteeship~~
15 ~~of those lands and assets shall revert to the port on the date that~~
16 ~~airport operations cease on those lands.~~

17 SEC. 15. Section 170060 is added to the Public Utilities Code,
18 to read:

19 170060. (a) The port shall retain trusteeship of lands
20 underlying the airport consistent with the State Lands
21 Commission's requirement and shall execute a 66-year lease with
22 the authority for control of the airport property. The authority shall
23 pay one dollar (\$1) per year during the term of the lease, or until
24 that time as airport operations controlled by the authority cease to
25 exist on the property. At that time, the lease shall terminate and
26 control of the property shall revert to the port.

27 (b) The port may continue or enter into contracts,
28 memorandums of understanding, or other agreements necessary to
29 fulfill its responsibilities as trustee of the lands underlying the
30 airport or adjacent lands under its control, or acquire additional
31 lands within its jurisdiction consistent with its duties and pursuant
32 to Division 6 (commencing with Section 6001) of the Public
33 Resources Code. The port shall act as lead agency to certify any
34 studies, reports, or other documents necessary to fulfill its
35 obligations as trustee of these lands. Lands acquired by or added
36 to lands under its trusteeship by the port adjacent to the existing
37 airport property and necessary to operate the airport, including, but
38 not limited to, lands from the United States Marine Corp Recruit
39 Depot for additional taxiways and other airport related facilities,



1 shall be included in the lease to the authority as it is acquired by
2 the port.

3 (c) The authority shall be responsible for making any necessary
4 application to the California Coastal Commission pursuant to the
5 California Coastal Act of 1976 (Division 20 (commencing with
6 Section 30000) of the Public Resources Code) and to other
7 agencies in accordance with other applicable laws in effect on the
8 effective date of the act that added this section for improvements
9 upon coastal lands under the control of the authority through a
10 lease. The port shall assist in the application for those projects as
11 the trustee of the lands and shall not impede any improvements
12 sought in the fulfillment of the authority's duties. The authority
13 shall be responsible for all applications, requests, or submittals to
14 other governmental agencies for approvals, permits,
15 authorizations or agreements of any kind affecting or relating to
16 the property governed by the lease, and the port shall cooperate in
17 completion of all documents in the form submitted or approved by
18 the authority without modification, providing the documents are
19 requested by the authority, or required by any other governmental
20 agencies, or both.

21 SEC. 16. Section 170062 of the Public Utilities Code is
22 amended to read:

23 170062. (a) ~~Under the leadership of the interim board, The~~
24 *authority shall develop* a transition plan ~~shall be developed~~ to
25 facilitate the transfer of the San Diego International Airport to the
26 authority *pursuant to this section*. To facilitate the preparation of
27 a transition plan, the authority and the port ~~may~~ *shall* jointly
28 commission a certified audit to determine the financial condition
29 of the San Diego International Airport, including, but not limited
30 to, the obligations of the airport and the reasonableness of the
31 overhead charges being paid by the airport to the port. *Upon*
32 *completion of the audit, the port and the authority shall balance*
33 *all accounts, including, but not limit to, loans and other*
34 *obligations between the two agencies.*

35 (b) The port shall cooperate in every way to facilitate the
36 transfer of the San Diego International Airport to the authority.

37 (c) In the preparation of the transition plan, priority shall be
38 given to ensuring continuity in the programs, services, and
39 activities of the San Diego International Airport.

(d) The transfer of the San Diego International Airport to the authority shall be completed on *or after* December 2 16, 2002.

(e) The transfer may not in any way impair any contracts with vendors, tenants, employees, or other parties.

(f) *The San Diego Harbor Police Department shall remain under the jurisdiction of the San Diego Unified Port District, and employees shall incur no loss of employment or reduction in wages, health and welfare benefits, seniority, retirement benefits or contributions made to retirement plans, or other terms and conditions of employment as a result of enactment of this division. The San Diego Harbor Police Department shall have the exclusive contract for law enforcement services at San Diego International Airport during that time as the airport continues to operate at the Lindbergh Field.*

SEC. 17. Section 170064 of the Public Utilities Code is amended to read:

170064. (a) ~~From revenues in reserve accounts attributable to airport operations, the port shall loan the authority the sum of one million dollars (\$1,000,000) for the first year of operation of the authority. The authority shall repay this loan with interest on or before January 1, 2008. The interest rate on the loan may be no greater than the discount rate established by the United States Federal Reserve Bank as of December 31, 2001. The port shall fund the authority for not less than one million dollars (\$1,000,000) each year until that time as the transfer of the airport and all associated revenue sources have been completed between the port and the authority. The authority's board may submit a budget request for more than this amount if necessary to carry out its duties. The port shall approve those budget requests in a timely manner without modification or reduction. The authority shall report its total budget expenditure amount to the port on an annual basis and balance or carry-over reserves from previous budgets. The funding provided by this subdivision replaces any loans made to the authority by the port under the former provisions set forth in this subdivision requiring the port to loan the authority the sum of one million dollars (\$1,000,000).~~

(b) ~~The~~ Upon the completion of the transfer pursuant to Section 170062, the authority ~~may raise~~ shall assume all revenue stream revenues to fund all of its activities, operations, and investments consistent with its purposes. The sources of revenue available to

1 the authority may include, but are not limited to, imposing fees,
2 rents, or other charges for facilities, services, the repayment of
3 bonded indebtedness, and other expenditures consistent with the
4 purposes of the authority.

5 (c) To the extent practicable, the authority shall endeavor to
6 maximize the revenues generated from enterprises located on the
7 property of the authority.

8 (d) The authority may receive state and federal grants for
9 purposes of planning, constructing, and operating an airport and
10 for providing ground access to the airport *under its control*.

11 SEC. 18. Section 170066 of the Public Utilities Code is
12 repealed.

13 ~~170066. (a) The authority is the only agency in the County of~~
14 ~~San Diego authorized to receive proceeds from state grants for the~~
15 ~~purposes of planning, constructing, or making other~~
16 ~~improvements to a civilian airport.~~

17 ~~(b) The authority is the only agency authorized in the County~~
18 ~~of San Diego to receive proceeds from grants from the federal~~
19 ~~government, including, but not limited to, the Federal Aviation~~
20 ~~Administration, for purposes of planning, constructing, or making~~
21 ~~other improvements to a civilian airport.~~

22 ~~(c) The authority shall cooperate with all other airports in the~~
23 ~~county to further the development of a countywide aviation~~
24 ~~system. To this end, the authority shall facilitate the pass-through~~
25 ~~of state and federal grants, without deduction for any cost~~
26 ~~associated with processing that pass-through, to local airport~~
27 ~~operators, if those grants are for purposes that are consistent with~~
28 ~~the aviation element of the regional transportation plan or with an~~
29 ~~adopted program of projects.~~

30 SEC. 19. Section 170066 is added to the Public Utilities Code,
31 to read:

32 170066. No other agency in the County of San Diego may
33 apply for grants for funding significant expansion of an existing
34 airport or construction of new civilian airports in the County of
35 San Diego, unless the application is first approved by the authority
36 as being consistent with the regional air transportation plan
37 adopted by the authority.

38 SEC. 20. Section 170068 of the Public Utilities Code is
39 amended to read:

1 170068. The authority may accept the transfer of ownership
2 of other publicly owned airports in the County of San Diego *upon*
3 *initiation by the respective airport operator*. Any transfer shall
4 include the preparation of a transition plan to ensure the orderly
5 transfer of assets and obligations. In accepting a transfer, the
6 authority may assume no financial obligations other than those
7 associated with the operation of the airport being transferred.

8 SEC. 21. Section 170080 of the Public Utilities Code is
9 repealed.

10 ~~170080. All bonds or other evidences of indebtedness issued~~
11 ~~by the authority under this chapter, and the interest thereon, are~~
12 ~~free and exempt from all taxation within the state, except for~~
13 ~~transfer, franchise, inheritance, and estate taxes.~~

14 SEC. 22. Section 170084 of the Public Utilities Code is
15 amended to read:

16 170084. The authority shall assume and be bound by the terms
17 and conditions of employment set forth in any collective
18 bargaining agreement *or employment contract* between the port
19 and any labor organization *or employee* affected by the creation of
20 the authority, as well as the duties, obligations, and liabilities
21 arising from, or relating to, labor obligations imposed by state or
22 federal law upon the port. The employees of the port affected by
23 this division shall become employees of the authority and shall
24 suffer no loss of employment or reduction in wages, health and
25 welfare benefits, seniority, retirement benefits or contributions
26 made to retirement plans, or any other term of condition of
27 employment as a result of the enactment of this division.

28 SEC. 23. Notwithstanding Section 17610 of the Government
29 Code, if the Commission on State Mandates determines that this
30 act contains costs mandated by the state, reimbursement to local
31 agencies and school districts for those costs shall be made pursuant
32 to Part 7 (commencing with Section 17500) of Division 4 of Title
33 2 of the Government Code. If the statewide cost of the claim for
34 reimbursement does not exceed one million dollars (\$1,000,000),
35 reimbursement shall be made from the State Mandates Claims
36 Fund.

37 SEC. 24. This act is an urgency statute necessary for the
38 immediate preservation of the public peace, health, or safety
39 within the meaning of Article IV of the Constitution and shall go
40 into immediate effect. The facts constituting the necessity are:

1 In order that these provisions may apply at the earliest possible
2 time to facilitate the orderly transfer of the San Diego International
3 Airport to the San Diego County Regional Airport Authority, it is
4 essential that this act take effect immediately.

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